

TERMINATION OF HOSTILITIES

TRUMAN DECLARES HOSTILITIES ENDED, TERMINATING MANY WARTIME LAWS; REPUBLICAN CHIEFS COMMEND ACTION

President's Proclamation ^{NY Times 1/1/47} 51 STATUTES TO DIE

By The Associated Press.

WASHINGTON, Dec. 31—The text of the President's Proclamation ending the period of hostilities for World War II follows:

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA A PROCLAMATION

With God's help this nation and our Allies, through sacrifice and devotion, courage and perseverance, wrung final and unconditional surrender from our enemies. Thereafter, we together with the other United Nations, set about building a world in which justice shall replace force. With spirit, through faith, with a determination that there shall be no more wars of aggression calculated to enslave the peoples of the world and destroy their civilization, and with the guidance of Almighty Providence great gains have been made in translating military victory into permanent peace. Although a state of war still exists, it is at this time possible to declare, and I find it to be in the public interest to declare, that hostilities have terminated.

Now, therefore, I, Harry S. Truman, President of the United States of America, do hereby proclaim the cessation of hostilities of World War II, effective twelve o'clock noon, Dec. 31, 1946.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the City of Washington this 31st day of December in the year of our Lord Nineteen Hundred and Forty-six, and of the Independence of the United States of America the One Hundred and Seventy-first.

HARRY S. TRUMAN.

By the President:

JAMES F. BYRNES

The Secretary of State.

Government's Power to
Seize Plants and 1½
Billion Taxes to Go

18 OF LAWS END AT ONCE

States of Emergency and War
Continue—Sudden Action
a Surprise to Washington

Text of the President's listing
of laws to expire, Page 22.

By BERTRAM D. HULEN

Special to THE NEW YORK TIMES.

WASHINGTON, Dec. 31—President Truman in a surprise proclamation terminated formally the period of hostilities in World War II as of noon today.

The action was announced by the President personally at a suddenly called news conference this forenoon at which he said:

"The time has come when such a declaration can properly be made, and it is in the public interest to make it."

At the same time he emphasized that the states of emergency that were proclaimed by the late President Roosevelt in 1939 and 1941 and the state of war itself, which presumably will run until peace treaties have been formally ratified, have not been terminated. They would require action by Congress.

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CONSUMERS' TAXES CUT BY 1½ BILLION

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lowed to drop to 52 to 75 per cent of parity.

Prices on numerous farm products, including basic commodities, are now supported at a level of at least 90 per cent of parity under the Steagall Amendment to the Agricultural Adjustment Act of 1938, designed to encourage farmers to expand production to meet war demands and to cushion the shock of post-war readjustment.

The supports authorized by the amendment automatically expire two calendar years after the official end of hostilities.

Agriculture officials have indicated that the support program might be worth between \$1,000,000,000 and \$1,500,000,000 a year to farmers by 1949.

The proclamation re-establishes on Jan. 1, 1949, a prohibition against cotton sales by the Commodity Credit Corporation below cost and limitation of sales to 300,000 bales in any calendar month and 1,500,000 in any calendar year.

The effect of President Tru-

man's action on wartime excise taxes is the same as that proposed in the Revenue Bill of 1945 as reported by the Ways and Means Committee and passed by the House. The Senate eliminated that provision.

The proclamation will not affect higher excises imposed during the war on transportation of property, business and store machines, coin-operated machines, electric, gas and oil appliances, matches, musical instruments, phonograph records, photographic apparatus, films and plates, air-conditioning units, sporting goods, cigarettes, cigars, playing cards, automobiles, trucks, parts and accessories, tires and tubes, lubricating oil, radios, refrigerators and safe deposit boxes.

It is these taxes that the Ways and Means Committee will look into after action on a 20 per cent income tax reduction, Representative Knutson said. He indicated that an extra effort would be exerted to make reductions or eliminations effective July 1.

Expressing confidence that his tax-reduction aims still could be achieved, Mr. Knutson asserted:

"The President's action indicates that he is not counting on an unbalanced budget for the next fiscal year. Rather, he has expressed confidence that we can reduce taxes, balance the budget and provide debt retirement.

"That has been my opinion, as it

has also been of my Republican colleagues, but we yet feel that an immediate reduction in individual income taxes is vital to safeguard our economy and maintain full employment and production."

Concern Over Buying Delay

Economists saw the likelihood of widespread consumer resistance between now and July 1 to items which will carry lighter taxes after that date in consequence of the President's action. They expected the price to drop before then, possibly severely, as merchants attempted to keep the products moving into the market.

"The thing I'm anxious about is that buyers are going to wait until after July 1 to buy the things they need immediately," Mr. Knutson said.

"Rumors last fall that the tax on furs would be lifted early this year flattened the fur trade right out at a time which should have been its best period. I don't think we should place too much emphasis on the date July 1."

The proclamation's effect on corporations' contributions is that tax exemptions of up to 5 per cent of net income for donations to charitable, religious and similar organizations will apply only if the funds are to be used within the United States or its territories. This limitation becomes effective at the beginning of a corporation's next taxable year.

The state of hostilities, a term covering the period of actual fighting and one used in defining the duration of many war-time statutes, alone was involved in the President's proclamation, but this served to terminate immediately eighteen emergency laws and scheduled for expiration six months from now or later provisions of thirty-three other statutes.

End Set for Farm Price Support

One effect of the official ending of the period of hostilities will be to reduce the consumers' tax bill by \$1,500,000,000 when excise taxes on scores of luxury items will revert to peacetime levels on July 1, 1947, through lapsing of provisions of revenue laws, unless Congress continues them in the meantime.

It will also end automatically at the end of 1948 wartime price supports for agricultural products. This program, it had been estimated by officials, might be worth between \$1,000,000,000 and \$1,500,000,000 to the farmers by that time.

The President's action was generally applauded in the national capital. Republicans in Congress saluted it but said it would not change their plans for proceeding in the new Congress to get rid of all the special war powers as soon as the safety of the country would permit.

Many of the laws affected by the President's proclamation have for some time been of relatively little importance, while those that are considered to be of some importance at the present time continue on for periods, a considerable number of which are for six months, so that any additional need for certain laws will be satisfied by the additional period in which they will continue to be effective.

Smith-Connally Act to Die

The most important law affected is the War Labor Disputes Act, popularly known as the Smith-Connally Act. It will end six months hence. However, under the operation of that law the Government will be unable to take over any new operations of plants or industries from now on.

Thus, the Government must turn back the coal mines to the owners within six months, unless Congress passes new laws on the subject in the meantime. These mines, with the Great Lakes tugboats, are the only industries now in Government hands.

Tax laws are also affected. In six months a series of emergency taxes will drop to old rates, such as levies on liquor and other distilled spirits. On the other hand many laws are not touched, because they are tied either to emergency declarations or the state of war itself. Many of the laws that are affected no longer are consid-

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WOR—Two great games: Cotton Bowl and East-West. 1:45 P. M. Dial 710.—Adv.